

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS**

**DUANE BAUGHMAN, KATIE
MERRILL,
THE BAUGHMAN
COMPANY, INC.,
d/b/a BAUGHMANMERRILL,
and THE MERRILL STRATEGY
GROUP**

Plaintiffs,

v.

**PETRA CHRISTINA BETER and
JOSEE MARIE BETER,**

Defendants.

Case No. 1:23-cv-11278

JURY TRIAL DEMAND

COMPLAINT

Plaintiffs Duane Baughman (“Baughman”), Katie Merrill (“Merrill”), The Baughman Company, Inc., d/b/a BaughmanMerrill (“Company”), and The Merrill Strategy Group (“Merrill Group”) (collectively, “Plaintiffs”), by and through their undersigned counsel, hereby assert the following claims against Defendants Petra Christina Beter (“Petra”) and Josee Marie Beter (“Josee”) (collectively, “Defendants”):

NATURE OF THE ACTION

1. Motivated purely by greed and a malicious desire to harm and humiliate Plaintiffs, Defendants have engaged in a 20+ year smear campaign that has consisted of repeated baseless, unsubstantiated, defamatory allegations that Plaintiff Baughman sexually assaulted Defendant Petra (and others), and that Baughman’s business partner, Plaintiff Merrill, has helped cover it up. But after 22 years, Plaintiffs have had enough, and they bring this action now to stop Defendants’ unrelenting and malicious attacks.

2. Defendants' allegations are unequivocally false. Baughman has never sexually assaulted anyone, nor has he ever been accused of sexual misconduct. Similarly, Merrill has never enabled or condoned such conduct.

3. Plaintiffs have built names and careers for themselves over the last three decades working on some of the most high-profile Democratic Party political campaigns across the country. Baughman and Merrill personally, and in their respective capacities as the founding member and partner of the Company, are well-regarded in both their skillset and moral aptitude on and off the campaign trail. Specifically, Baughman has earned a reputation as one of the top direct-mail strategists in the industry and has been credited with engineering numerous Democratic primary victories for candidates throughout the United States. He is also widely known for his management and development of over 30 million voter-targeted pieces of mail during Hillary Clinton's 2008 Presidential campaign. Similarly, Merrill is recognized as being one of California's most successful female and LGBT campaign managers and statewide consultants.

4. But Defendants have shown that there is no lie they will not tell, nor any length they will not go, until their goal of destroying Plaintiffs' hard-earned reputations and careers is accomplished.

5. Over 20 years ago, in 2001 shortly after 9/11, Baughman was working in New York City on then-mayoral-candidate Michael Bloomberg's ("Mayor Bloomberg" or "Bloomberg") campaign. Baughman was tasked with leading a direct-mail effort that eventually amounted to over 20 million pieces of mail for residents and voters in New York City. Defendant Petra Beter was hired as a freelance photographer, on a one-time basis, by the Bloomberg campaign to provide a limited number of photos to be used in the direct-mail effort. The Bloomberg campaign wanted

photos captured of the city's aftermath to showcase the work that Bloomberg would do to put the city back together if he were elected.

6. On this isolated, single and limited collaboration, Baughman and Defendant Petra worked together for approximately three hours one afternoon in late September, 2001. They were in public the entire afternoon and never alone, constantly surrounded by other campaign staffers and consultants, including Bloomberg himself. Following this one-time occasion, Baughman never saw Defendant Petra again. Their interaction was brief and strictly professional.

7. Shortly thereafter, Petra sent an invoice to Baughman and was paid an above-market rate for her time and the photos she took. In total, Petra contributed approximately 80 photos, of which 3 to 5 photos were actually used by Baughman on behalf of the Bloomberg campaign.

8. Bloomberg went on to win the race for Mayor of New York City, which garnered wide recognition in the national media for being one of the most expensive political races of all time and one of the biggest upsets in American political history. After seeing an article describing the campaign's historic spending, Petra saw an opportunity she thought she could capitalize on. Petra wanted a bigger piece of the pie now that she had knowledge of how much money was spent on the campaign, including, most pertinently, Baughman's professional services. So, despite being timely and appropriately compensated for her one afternoon of freelance work in accordance with the invoice that she herself submitted, Petra demanded an additional \$250,000 from Baughman, alleging that Baughman's direct-mail campaign included her photographs without her permission. This was not true.

9. Petra made several exorbitant demands for additional compensation over the ensuing months and years, at one point demanding in excess of \$1 million.

10. When Petra's excessive demands for additional compensation went ignored and unmet by Baughman, Petra decided to take revenge, and thus began her smear campaign which years later morphed into her fictionalized accusations of sexual assault.

11. Since 2005, Petra has on numerous occasions publicly slandered Baughman's name by falsely accusing him of sexual assault to his clients, newspaper reporters, professional colleagues, attorneys, courts, and essentially anyone willing to listen. Fueled by her extortionate and unrequited demands for money, and her unfounded complaint that Baughman had wronged her, Petra's slanderous and libelous statements were, and continue to be, coupled with demands that Plaintiffs be immediately terminated from whatever campaign they were (or are) working on at the time, as detailed below.

12. Defendant Josee has also, for years, conspired with her sister Petra and, likely acting at Petra's direction, further perpetuated the smear campaign and fabricated sexual assault allegations (to go along with false accusations that Baughman cyberstalked Defendants and threatened to physically harm them).

13. Defendants' more recent allegations have targeted not only Baughman, but now Merrill as well. Specifically, for example, in March 2023, Petra e-mailed one of Congresswoman Barbara Lee's senior campaign staffers urging them to fire Merrill for her purported knowledge and complicity with Baughman's alleged "history of sexual misconduct." A few weeks later, in April 2023, Petra sent a similar e-mail with the same allegations against Plaintiffs to Congressman Ro Khanna's staff.

14. Notably, at no point has Defendant Petra ever made a report to the authorities or filed a formal civil complaint against Baughman or Merrill, choosing instead to smear Plaintiffs' good

names from the shadows and in a manner in which full vindication for Plaintiffs is all but impossible.

15. Now, after twenty-two painful years, Plaintiffs are left with no other choice but to stand up for themselves in an effort to restore their good names and finally put an end to Defendants' senseless, obsessive, and unrelenting campaign of harassing, defamatory, career- and reputation-destroying statements and actions.

PARTIES

16. Plaintiff Duane Baughman is the founding member of the Company. Baughman is a natural person and a citizen of the state of California.

17. Plaintiff Katie Merrill is a Partner of the Company. Merrill is a natural person and citizen of the state of California.

18. Plaintiff The Baughman Company, Inc., d/b/a BaughmanMerrill is a California corporation with its principal place of business at 1592 Union Street #401, San Francisco, CA 94123.

19. Plaintiff The Merrill Strategy Group is a California Corporation with its principal place of business in California.

20. Defendant Petra Christina Beter is a natural person. Upon information and belief, Petra is a citizen of the Commonwealth of Massachusetts with an address of 4 Indian Trail, Harwich, MA 02645.

21. Defendant Josee Marie Beter is a natural person. Upon information and belief, Josee is a citizen of the State of Minnesota with an address of 13901 Frontier Lane, Burnsville, MN 55337.

JURISDICTION AND VENUE

22. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332. Plaintiffs are each citizens of California. Defendants Petra and Josee are citizens of Massachusetts and Minnesota respectively. The amount in controversy in connection with this action exceeds \$75,000.

23. Venue is proper in the United States District Court for the District of Massachusetts pursuant to 28 U.S.C. §1391(b)(2) because a substantial part of the events giving rise to the claims asserted in this action occurred within this judicial district.

FACTUAL ALLEGATIONS

Plaintiffs' Backgrounds

24. Merrill began her career working on campaigns in the early 1990s. She worked for various campaigns and on Capitol Hill for a number of years before eventually forming The Merrill Strategy Group in 2006. Merrill and Baughman teamed up in 2017 to form BaughmanMerrill.

25. Baughman's nearly 35-year career has been built off his passion and drive to work on political campaigns at the highest levels.

26. Baughman has been actively involved in political direct-mail marketing since nearly its inception in the late 1970s/early 1980s. As a second generation political direct-mail consultant, there are few, if any, that have amassed more knowledge and skill when it comes to political direct-mail marketing than Baughman. He began his career at one of the first and largest political direct mail companies in the country before breaking off on his own in the late 1980s.

27. Eventually, in January 1997, Baughman started The Baughman Company, Inc.

28. Since then, Baughman has built his business, reputation, and career off the distinctive experience of having been at the forefront of a now billion-dollar industry.

29. In 2001, Baughman's life and career changed forever.

Baughman and Petra 2001 First and Only Encounter

30. Baughman was one of the first people hired by Michael Bloomberg to work on his campaign for mayor of New York City.

31. For almost an entire year in 2001, Baughman commuted weekly from his home base in San Francisco, California to spend three to four days per week working in New York on the campaign.

32. Baughman served as the Bloomberg campaign's Chief Mail Strategist. His duties included creating, designing, writing, producing, targeting, and mailing the campaign's 40 million pieces of direct-mail.

33. Immediately after 9/11, the campaign took a brief two-week pause, and its offices were closed, while the entire country grappled with what had just happened. Baughman returned to New York near the end of September when the campaign offices finally re-opened for a special campaign photoshoot.

34. Defendant Petra was the photographer assigned to the photoshoot. Petra was an independent contractor freelance photographer who was hired just to shoot photos for that one day only. She was not a regular member of the campaign staff. She took a limited number of photos, of which only three to five were ever used.

35. Baughman was tasked with overseeing and directing a variety of still photos being taken of Bloomberg at different locations within the confines of the Bloomberg LLC offices.

36. Throughout that day, there were two concurrent events - a Bloomberg campaign TV shoot and the photoshoot by Petra, both taking place side-by-side. Baughman and Petra were surrounded by numerous other campaign staffers and consultants at all times. At no point during the day were Baughman and Petra ever alone, either at the Bloomberg LLC office, campaign office, or

elsewhere. Indeed, Baughman was not a campaign staffer, and in his role, he never had independent access to the Bloomberg campaign office, which was a highly secure facility.

37. After the photoshoot, Baughman immediately left New York City to return to San Francisco, where he and his team oversaw the creation of dozens of pieces of direct mail for the final push leading up to Bloomberg's November general election. He has not seen Petra since that day.

38. Weeks later, Baughman received an invoice directly from Petra in the amount of \$12,000 for her one afternoon of work on the photoshoot. While it was not typical for Baughman to receive invoices directly, the Bloomberg campaign's Chief Strategist, Doug Schoen, instructed Baughman to pay the invoice. Accordingly, Baughman did so.

39. On November 6, 2001, Mayor Bloomberg won his mayoral campaign.

40. Shortly thereafter, financial disclosure filings revealed the scope of Bloomberg's historically expensive campaign and how much money he had spent, including on election-related services provided by Baughman and others. The nationwide media then began covering the topic, identifying the Bloomberg mayoral political campaign as one of the most expensive campaigns in U.S. history.

41. Presumably upon reading such information, Petra contacted Baughman in late November alleging that his success and payment from the Bloomberg campaign came significantly from Baughman's wrongful and unauthorized use of her photographs. Based on this claim, she demanded additional compensation in the amount of \$250,000. Baughman did not respond.

42. At no point during Petra's extraordinary requests for more money did she make any mention of, or remotely indicate that, Baughman had sexually assaulted her.

43. A few months following receipt of the initial request for \$250,000, Baughman received a second request reiterating Petra's demand for \$250,000. Baughman, again, did not respond.

44. Things were quiet for a time until 2005 when Baughman was hired to work on Mayor Bloomberg's re-election campaign.

45. After learning that Baughman had been hired again to handle direct-mail for Bloomberg's re-election campaign, Petra again began to send Baughman – and eventually the Bloomberg campaign directly – e-mails falsely claiming that Baughman and the Bloomberg campaign were using her photographs without crediting her. This assertion was patently false as Baughman made sure not to use Petra's photos ever again after the issues in 2001. Baughman again ignored her frivolous allegations and wild demands for money.

Defendants' Defamatory Smear Campaign

46. Apparently enraged by Baughman's success and his refusal to even acknowledge Petra's baseless demands for money (let alone cater to them), Petra switched to a new tack – to destroy Baughman both personally and professionally.

47. One of Petra's initial attempts to extort both Baughman and the Bloomberg campaign came in a "cease and desist" letter on or around October 31, 2005 sent by Minnesota attorney, Thomas J. Shroyer ("Attorney Shroyer"), to Baughman and Bloomberg campaign manager Kevin Sheekey ("Sheekey")¹. As expected, Attorney Shroyer's letter alleged that the 2005 Bloomberg re-election campaign was improperly using Petra's photos from 2001 without her permission. The letter also included for the first time allegations of sexual assault:

¹ Letters from T. Shroyer to K. Sheekey and D. Baughman dated October 31, 2005 are attached hereto as **Exhibit 1**.

Although I am advised that my client was severely traumatized as a result of having been sexually assaulted on two occasions in September, 2001, she is quite certain in her memory that she did not grant your company, Mayor Bloomberg or his campaign the right to use her photographs of Mayor Bloomberg outside the 2001 campaign.

48. However, Petra's nefarious motive to not only fabricate serious allegations against Baughman and the Bloomberg campaign, but also to blackmail and extort them, became very clear in Attorney Shroyer's letter when he concluded by demanding, on behalf of Petra, a sum in excess of \$1,000,000. Specifically:

[M]y client also demands the payment of monetary damages to compensate for the invasion of her copyright protection in the photographs, together with statutory penalties for copyright infringement and attorneys' fees. These amounts easily aggregate in excess of \$1 million[.]

49. While Baughman did speak with an attorney soon after receiving this letter, ultimately, neither Sheekey nor Baughman responded to Attorney Shroyer's October 31, 2005 letter, which ironically served as an admission that Baughman and the Bloomberg campaign had the right to use Petra's photographs in connection with the 2001 campaign, belying her prior claims and demands for \$250,000. Given their completely unfounded basis, Petra's outlandish and ever-increasing demands for money continued to go unmet.

50. Petra never filed a lawsuit, or otherwise made any official complaint, relating to either the alleged sexual assault or the copyright infringement.

51. Petra resurfaced again on or around March 14, 2007. Baughman had been hired to work on Hillary Clinton's 2006 campaign for re-election to the U.S. Senate. In an e-mail to Bloomberg campaign manager Sheekey and deputy mayor Patti Harris ("Harris"), Petra made severely

harmful allegations against Baughman intended to damage his personal reputation and to destroy his professional standing. Specifically, Petra wrote (in part):

it was very disappointing and sad to me that someone as thoughtful and courageous as senator clinton would hire duane baughman for her campaign..it didn't make sense to me..because i know you would have told her team that knew from experience that baughman was radioactive and a pervert. so i don't understand why she would hire him knowing that. unless you didn't tell her..but i know you wouldn't have done that.²

52. Petra continued to target Baughman in 2008, this time enlisting her sister Defendant Josee “Coco” Beter to carry out the attack. Baughman had been hired again by Senator Clinton, this time in connection with her 2008 Presidential campaign (“Clinton Campaign”).

53. On July 29, 2008, Josee forwarded an e-mail to Harold Ickes, the former White House Deputy Chief of Staff for President Clinton, which was also apparently sent to eleven other high-ranking members of the Democratic Party and Senator Clinton’s campaign staff, about the Clinton Campaign’s hiring of Baughman. Among the far-fetched conspiracy theories that Josee drummed up about money being funneled in secret to Baughman, within this forwarded e-mail titled “08 Campaign Payments to Baughman via PSB”, Josee stated (in part):

- a. “Yesterday I was deeply disturbed to learn that Duane Baughman, a man known to Mark Penn, Doug Schoen and Ed Skyler as having sexually assaulted my sister, was hired by Penn to work on Senator Clinton’s Presidential campaign kept hidden [sic] throughout the primary and is part of the \$5.3 million bill that is owed to Penn and PSB.” [sic]
- b. “Penn, Schoen and Skyler know that Baughman assaulted my sister Petra when she worked on Bloomberg’s campaign, and because they feared damage

² A true and correct copy of the March 14, 2007 e-mail from P. Beter is attached hereto as **Exhibit 2**.

to Bloomberg's mayoralty (and to Penn and Schoen's deal with the WPP Group) my sister was forced to keep quiet about what Baughman did to her."

- c. "Duane Baughman – politically toxic, swastika wielding, serial sexual pervert Duane Baughman – was Hillary Clinton's mailman, something Baughman just revealed on his company's website."
- d. "It is the cruelest of ironies that the Clinton campaign knowingly hired a man known for his abuse of women, and purposely hid him while running a campaign on the shoulders of millions of American women who took Clinton to the edge of history."
- e. "...both Schoen and Skyler have [Petra's] phone number, as both of them called her in 2005 and threatened to keep her quiet about Baughman..."³

54. That was only just the beginning.

55. On August 1, 2008, in a further attempt to provoke, intimidate and extort Baughman, Josee forwarded her July 29, 2008 e-mail directly to Baughman, stating:

- a. "FYI – I sent this letter to Harold Ickes, Geoff Garin, Ed Syler, Mayor Bloomberg and multiple other people and oddly..no one came to your defense."
- b. "Baughman, I have not forgotten what you did to my sister and its [sic] a disgrace that everyone involved keeps pretending that this didn't happen."⁴

³ True and correct copies of July 29, 2008, August 1, 2008 August 6, 2008, August 12, 2008, August 13, 2008, and October 8, 2008 e-mails from J. Beter are collectively attached hereto as **Exhibit 3**.

⁴ See **Exhibit 3**.

56. Over the next few days and months, Josee would launch into email tirades that went on for pages, littered with false accusations that Baughman sexually assaulted Petra and conspiracy theories that many others were aware of this fact, covered it up, and then secretly funneled millions of dollars to Baughman.⁵ She also added new allegations in a December 10, 2008 email, accusing Baughman of creating a Facebook account under a fake alias – a woman named “Kally” – in order to trick Josee into talking to him. She also falsely accused Baughman and Schoen of conspiring together to “do something to [Josee] and petra and hired people to do it...”⁶

57. After the Clinton campaign died down, so too did Petra and Josee. Their *modus operandi* was becoming clear to Baughman – they would surface for high-profile and high-dollar value campaigns.

58. These 2008 emails (and others) ultimately resulted in a federal investigation into Defendants.

59. In 2009, Mayor Bloomberg ran for a third time, which was his second mayoral re-election campaign, and the most expensive Bloomberg campaigns of all, landing north of \$100,000,000. Baughman, however, despite his proven success during Bloomberg’s prior campaigns, was not engaged to handle the political direct-mail during the 2009 Bloomberg re-election campaign likely due to the Defendants’ hellacious allegations against him, this time causing Baughman to lose a contract worth more than \$15,000,000 to a direct competitor.

60. In August 2012, the New York Post published an article noting the federal investigation surrounding Defendants and their multimillion-dollar blackmail bid targeting Mayor Bloomberg.⁷

⁵ See **Exhibit 3**.

⁶ A true and correct copy of the December 10, 2008 e-mail from J. Beter is attached hereto as **Exhibit 4**.

⁷ A true and correct copy of the August 10, 2012 New York Post article is attached hereto as **Exhibit 5**.

The article noticeably reflects the blatant inconsistencies between Defendants' false accusations, as Defendants' story evolved over the years. The article discussed new allegations that the alleged assault took place "in a kitchen area at Bloomberg's campaign headquarters in Midtown" and that "Bloomberg's former right-hand man, Ed Skyler...witnessed the incident and did nothing." Mr. Skyler, through an attorney, noted the absurdity of such an allegation: "To allege a sexual assault occurred in an open space where dozens of people were working, never report it to the police and then threaten to publicize the claim seven years later unless millions of dollars were paid lacks even the slightest shred of credibility." The article notes Petra's response was that "she didn't say anything at the time because she didn't want to lose her job." But she didn't have a job with the Bloomberg campaign. She was hired for a one-day photo shoot for which she was paid well above the standard rate.

61. The New York Post article also revealed the Defendants' proclivity for scamming, reporting an incident in October 2010 when Defendants and their mother "were evicted in a headline-grabbing incident at a luxury hotel in Minneapolis. They had been holed up at the Hotel Ivy for 16 months without paying their \$239,000 bill, according to police records." The article continued: "As the sisters and their mother were being taken out of the building, Petra Beter attempted to slit her wrists and was briefly hospitalized afterward."

62. The 2012 New York Post article provides corroboration of Defendants' propensity of resorting to fraud, scamming, and avoidance. It also shows that Defendants had a strong motive to extort Baughman given their own significant financial troubles.

63. It would not be until five years later, and 16 years subsequent to that September 2001 day that Defendants would strike again.

64. In 2017, Petra filed a lawsuit in the Southern District of New York (Case No. 17-10247) against Rupert Murdoch, amongst others, seeking \$10 million. In the complaint, Petra again alleged that Baughman sexually assaulted her at the Bloomberg campaign headquarters on September 14, 2001. She also alleged that Baughman engaged in other sexual misconduct incidents while working for the Bloomberg campaign and that the campaign covered them all up. Petra made numerous other patently false and unsubstantiated allegations against Baughman, though Baughman was not a defendant in the action. Baughman was not even aware of this case (or the allegations against him) during its pendency. The case was dismissed.

65. With her \$10 million lawsuit having failed, Petra again enlisted her sister, Defendant Josee (whom Baughman has never met, spoken to, or seen), and returned to defaming Plaintiffs to their clients.

66. On October 15, 2018, Josee contacted Ruth Bernstein at EMC Research, likely at Petra's direction. Ms. Bernstein and EMC Research were vendors to the Fight Back California Super PAC, formed by Congresswoman Ellen Tauscher. Merrill was one of the founders of that PAC.

67. Ms. Bernstein informed Merrill that she had received a call and email from Josee. Notably, Josee made multiple false and defamatory statements in her October 15, 2018 e-mail to Ms. Bernstein, which stated (in part):

...My family has suffered greatly at the hands of Mr. Baughman, who sexually assaulted my sister Petra when she worked beneath him on Michael Bloomberg's campaign and started a pattern of years of harassment that continues to this day.

The sexual assault by Mr. Baughman and his subsequent cyberstalking and threats of physical harm to Petra is known throughout the Democratic political circles...

....It was Mr. Baughman's long time girlfriend Katherine Parrick who delivered to me numerous and serious threats to my sister in a phone call that I recorded....Ms. Parrick

described Baughman's violent behavior towards her and warned me again and again that he was discussions [sic] with others to harm Petra to silence her...⁸

68. These allegations were republished in 2020, when Petra learned that Merrill was working as a consultant on Tom Steyer's 2020 presidential campaign (the "Steyer Campaign"). In or around February 2020, Petra contacted the COO of the Steyer Campaign, Chris Fadeff, falsely claiming that Baughman had sexually assaulted her. This was done in an apparent effort to get Merrill fired from the Steyer Campaign.

69. Later, in or around July 2020, Merrill was contacted by a former colleague from the Barbara Boxer U.S. Senate campaign, Karen Olick ("Olick"), who was now working at political consulting firm SKDK in Washington D.C. SKDK contacted Merrill because they were pitching the California Secretary of State on a huge new contract involving a California state-wide voting program. Olick said she wanted to add Merrill to the pitch given Merrill's knowledge and experience as a political consultant in California, while SKDK was based in D.C. Merrill was excited about the opportunity and had full intention of collaborating with SKDK. This would have been extremely lucrative for Plaintiffs, likely yielding a net profit of at least \$1,000,000. However, shortly after this initial discussion Merrill got a call from Olick explaining that they were going in a different direction and that there was a rumor going around that Merrill's business partner (Baughman) had previously sexually assaulted someone. It is clear SKDK decided not to hire Merrill because of the rumors they had heard regarding Baughman. Olick said she was shocked to hear the rumors, and had called other people, including other high-ranking members of the Democratic party, to ask if they had heard the rumor.

⁸ See J. Beter e-mail dated October 15, 2018 attached hereto as **Exhibit 6**.

70. Immediately thereafter, Baughman and Merrill retained counsel (at significant expense) who sent a letter to SKDK informing them that if SKDK further communicated the fabricated and baseless allegations against Baughman then legal action would be taken. SKDK never responded. Plaintiffs, however, once again, were left scorched by Defendants' calculated tactics and fallacious accusations, this time robbing Plaintiffs of a job opportunity ultimately worth \$35,000,000.⁹

71. Petra did not resurface during the 2022 election cycle. Neither Baughman nor Merrill worked on any high-profile campaigns (likely as a result of the defamatory rumors spread by Petra and her sister), and again, Petra generally seemed to surface only for high-profile, high-dollar figure campaigns.

72. However, in 2023, Merrill was retained to work on Congresswoman Barbara Lee's Campaign for U.S. Senate in California ("Lee Campaign") as the Chief Strategist and Spokeswoman. With the extremely high-profile nature of the Lee Campaign, Petra is back with a vengeance.

73. On March 28, 2023, Petra emailed Janica Kyriacopoulos, a team member for the Lee Campaign, writing in part:

"I am writing to you this afternoon about Katie Merrill. Yesterday I learned that Ms. Merrill is the spokeswoman and senior advisor for Congresswoman Lee's Campaign for Senate in California. Ms. Merrill founded the political consulting firm Baughman Merrill [sic] with Duane Baughman.

... When I was 27 years old Duane Baughman assaulted me in an empty campaign office in New York City. He was 50 years old and I was working under him on a campaign for Mayor. For years, Ms. Merrill has known what he did to me on that day and about his history of sexual misconduct with other women yet she continues to work alongside him and provide cover for him.

⁹ See Emily Hoven, *CA could stick 'Team Biden' firm with \$35M bill*, CA Matters (Nov. 23, 2020), available at <https://calmatters.org/newsletters/whatmatters/2020/11/california-team-biden-vote-padilla-yee/>.

The day after I was assaulted I met my closest friend Gail Powell at a coffee shop across the street from my apartment and told her what Baughman had done. It was Gail who convinced me that I had to tell the campaign what had happened. If she had not done so that day I do not know if I'd ever had the courage to tell them or anyone. Gail still lives and works in New York City and is willing to speak with you about this.

When I came forward to the campaign three days later I was told that I would be fired if I told anyone what had happened, "don't tell anyone about this you do want to keeping [sic] working (on the campaign) don't you?" and then they said that Baughman had harassed another woman on the campaign, a Hispanic woman, and when she complained they "had to get rid of her." Years later I learned that this in fact happened and the woman, a receptionist on the campaign, was fired.

For many years following the assault I was told and then later threatened to keep quiet. It is important for me to tell you that in all of these years my account has never changed and I have never asked anyone for anything - only that Baughman not be allowed to work on anymore Democratic campaigns and yet he continued to be hired by high level people in the party.

In 2008 after I learned that Baughman had worked on Senator Clinton's first Presidential Campaign I began to speak out to members of the Democratic Party about what he had done to me. In response Duane Baughman began threatening me in a number of disturbing ways, sending me threats of physical harm which I then provided to a political reporter and his editor at the New York Times, some in real time...

...Duane Baughman's misconduct is known at the highest level of the Democratic Party. After working on Senator Clinton's Presidential run Baughman fell off the map and became a pariah in the party because I had begun telling people what he had done to me and people believed me, and then other women began coming forward. That is why his resume is so sparse following Senator Clinton's first Presidential Campaign.

But in 2017 Katie Merrill enabled him to make his return to the Party, offering him a lifeline by joining forces with him in their newly created partnership firm Baughman Merrill with Baughman working in the background and Merrill standing out front.

In January 2020 I learned that Katie Merrill was working on Tom Steyer's Campaign for President, work that is today being promoted on the Baughman Merrill website. When I informed the Steyer Campaign near the end of their run of what Baughman had done to me and Ms. Merrill's role in fronting for him they believed me and immediately took action. The lawyer for the Steyer campaign apologized to me on behalf of the campaign and called Baughman "a criminal."

...A week later I learned from an employee at Baughman Merrill that despite the contract Baughman continued to do the backoffice strategy for Steyer alongside Merrill for which they received over \$12 million dollars for their work.

The campaign's lawyer later reported back to me that he and other members of the campaign had confronted Ms. Merrill about what Baughman had done to me and her partnership with him and that she was 'removed from the campaign.'...

...I am writing to inform you of this and ask that you not allow Ms. Merrill to be part of this historic campaign. Her dishonesty and lack of judgment make her unfit to speak for Congresswoman Lee.¹⁰

74. This email is littered with highly false, defamatory, and damaging statements relating to both Baughman and Merrill. Baughman never sexually assaulted Petra, or any other woman. He was never alone with Petra. He was never in the Bloomberg campaign office with her (and did not even have independent access to the campaign office). The one and only day Baughman met Petra was weeks after 9/11 towards the end of September 2001 during the coordinated campaign TV and photoshoot. He was 36 years old in 2001, not 50. Petra did not work "under" Baughman on the campaign. No one at the campaign threatened to fire Petra because she did not work for the campaign – she was hired as a freelance photographer for a single-day photoshoot. No one at the campaign ever told Petra that Baughman had harassed another woman who was subsequently fired, because Baughman never harassed another woman. Baughman never "threatened [Petra] to keep quiet" or otherwise threatened her, and indeed has never spoken nor communicated with Petra outside of that single afternoon in late September 2001 where whatever communications they had were strictly professional. Merrill has not covered up Baughman's "history of sexual misconduct" because there is nothing to cover up. Baughman has never engaged in any sexual misconduct and no woman besides Petra has ever accused him of such.

¹⁰ True and correct copies of this March 28, 2023, March 30, 2023 and March 31, 2023 emails from P. Beter are attached collectively hereto as **Exhibit 7**.

75. Petra followed up her email with a phone call to Ms. Kyriacopoulos.

76. Ms. Kyriacopoulos forwarded Petra's email to Joyce Kazadi, Congresswoman Lee's Chief of Staff. Ms. Kazadi forwarded the email to Plaintiff Merrill.

77. When Petra did not receive the immediate attention or response she so desperately sought to obtain from her categorically false allegations, she sent several follow-up e-mails to not only Ms. Kyriacopoulos (on March 30, 2023), but to the Lee Campaign official press e-mail address on March 31, 2023, showing just how determined she was to get Merrill fired from her position. More specifically, Petra stated (in part):

Please see the below complaint about Katie Merrill, the spokeswoman for the campaign. It is important to me that my complaint be taken seriously.

As I stated in my complaint I only ask that Ms. Merrill not be allowed to work on the campaign. She should not be rewarded and trust with such an important job...¹¹

78. Angered, but not deterred, by the lack of a direct response, Petra sent a fourth e-mail to Ms. Kyriacopoulos and the Lee campaign press email on April 14, 2023.¹² In addition to voicing frustration for being ignored, she (a) speculated that Merrill had access to the Lee Campaign press email and had deleted Petra's messages; (b) requested contact information for Congressman Ro Khanna, who she stated was Chair of Congresswoman Lee's campaign; and (c) forwarded a purported August 20, 2020 e-mail from Chris Fadeff (COO of the Steyer Campaign). In the purported email, Mr. Fadeff conveyed how seriously the Steyer Campaign took Petra's allegations and stated that the campaign "terminated their relationship with Katie Merrill." However, Mr. Fadeff has no record of the email ever being written and has no recollection or record of this email

¹¹ See **Exhibit 7**.

¹² A true and correct copy of the April 14, 2023 e-mail from P. Beter are attached collectively hereto as **Exhibit 8**.

having ever been sent. Neither Mr. Fadeff nor anyone else from the Stever Campaign ever terminated their relationship with Merrill. It appears that Petra fabricated the email, which did not in fact come from Mr. Fadeff.

79. These emails with Congresswoman Lee's staff have caused serious problems in Plaintiffs' business, including but not limited to, impeding the Merrill Group's ability to efficiently do the job required of them, and provide the level of service as expected, due to having to defend themselves against Petra's utterly false statements.

80. On that same day, April 14, 2023, continuing on her quest to destroy Plaintiffs' reputations and careers, Petra contacted members of Congressman Ro Khanna's office in a further attempt to elicit a response to her allegations against Merrill and Baughman.

81. More specifically, in an April 14, 2023 e-mail to Marie Baldassarre, Congressman Khanna's Senior Communications Advisor, and Geo Saba, Congressman Khanna's Chief of Staff, Petra wrote about the "troubling issues with Katie Merrill and her business partner Duane Baughman who assaulted me when I was 27 years old and he was 50 years old."¹³ She also reiterated during her call that "Ms. Merrill should not work in any capacity on Congresswoman Lee's historic campaign" and that "Congresswoman Lee would not approve of Ms. Merrill's protection of her business partner Duane Baughman which has enabled him to receive millions of dollars in donor funds despite his well known history of sexual violence against women." Petra also forwarded copies of the March 28, 2023 email she wrote to Ms. Kyriacopoulos, the April 13, 2023 email she wrote to Ms. Kyriacopoulos, and the August 20, 2020 email from Chris Fadeff that she fabricated.

¹³ True and correct copies of the April 14, 2023 and April 18, 2023 e-mails from P. Beter are attached collectively hereto as **Exhibit 9**.

82. On April 14, 2023, after receiving an out-of-office reply from Ms. Baldassarre, Petra forwarded her email to Sarah Drory, Congressman Khanna's Deputy Communications Director.¹⁴

83. On April 18, 2023, Petra emailed Congressman Khanna's Chief of Staff, Geo Saba. She forwarded her prior emails and stated "I would like to know if Katie Merrill and Duane Baughman are being kept on Congresswoman Lee's campaign for Senate and if they are receiving any donor funds which I object to in the strongest terms."¹⁵ She also offered to provide details of "Duane Baughman's assault on me and the overwhelming harm he caused me." But there was no assault. And Plaintiffs now bring this action to restore their reputations.

COUNT ONE

(Defamation and Defamation *Per Se* against Defendant Petra)

84. Plaintiffs repeat and reallege Paragraphs 1 through 82 of the Complaint as if set forth fully herein.

85. In addition to many other prior defamatory statements, on March 28, 2023, Defendant Petra made numerous defamatory and false statements about Baughman and Merrill in an email to Janica Kyriacopoulos, stating:

- a. "When I was 27 years old Duane Baughman assaulted me in an empty campaign office in New York City. He was 50 years old and I was working under him on a campaign for Mayor."
- b. "For years, Ms. Merrill has known what he did to me on that day and about his history of sexual misconduct with other women yet she continues to work alongside him and provide cover for him."

¹⁴ See **Exhibit 9**.

¹⁵ See **Exhibit 9**.

- c. Mayor Bloomberg campaign members “said that Baughman had harassed another woman on the campaign, a Hispanic woman, and when she complained they ‘had to get rid of her’”.
- d. “For many years following the assault I was told and then later threatened to keep quiet.”
- e. “Duane Baughman began threatening me in a number of disturbing ways, sending me threats of physical harm...”
- f. “numerous Facebook messages Baughman sent to me using an alias trying to figure out where I lived.”
- g. “Duane Baughman’s misconduct is known at the highest levels of the Democratic Party. After working on Senator Clinton’s Presidential run Baughman fell off the map and became a pariah in the party because I had begun telling people what he had done to me and people believed me, and then other women began coming forward. That is why his resume is so sparse following Senator Clinton’s first Presidential Campaign.”
- h. “But in 2017 Katie Merrill enabled him to make his return to the Party, offering him a lifeline by joining forces with him in their newly created partnership firm Baughman Merrill with Baughman working in the background and Merrill standing out front.”
- i. “When I informed the Steyer campaign near the end of their run of what Baughman had done to me and Ms. Merrill’s role in fronting for him they believed me and immediately took action. The lawyer for the Steyer campaign

apologized to me on behalf of the campaign and called Baughman ‘a criminal.’”

j. “members of the campaign had confronted Ms. Merrill about what Baughman had done to me and her partnership with him and that she was ‘removed from the campaign.’”

k. “When someone threatens your life it stays with you.”

86. Defendant Petra republished the statements in her March 28, 2023 email on numerous occasions, forwarding the email to Congresswoman Lee’s press email account on March 31, 2023 and April 14, 2023, Marie Baldassarre on April 14, 2023, Geo Saba on April 14, 2023, Sarah Drory on April 14, 2023, and all of the above again on April 18, 2023.

87. In Defendant Petra’s e-mail to Ms. Baldassarre on April 14, 2023, and in her follow-up e-mail on April 18, 2023, Defendant Petra further stated:

a. the “troubling issues with Katie Merrill and her business partner Duane Baughman who assaulted me when I was 27 years old and he was 50 years old.”

b. “It is my sincere belief that Congresswoman Lee would not approve of Ms. Merrill’s protection of her business partner Duane Baughman which has enabled him to receive millions of dollars in donor funds despite his well known history of sexual violence against women.”

c. “I can send you full correspondence between myself and Ms. Clark detailing Duane Baughman’s assault on me and the overwhelming harm he caused me.”

88. The statements set forth above are false and defamatory.

89. The statements made by Defendant Petra unequivocally were of and concerning Plaintiff Baughman and Plaintiff Merrill.

90. By publishing these false and defamatory statements to third parties, Defendant Petra caused significant and continuing economic loss and harm, including reputational harm, in an amount to be proven at trial but believed to be exceeding \$10,000,000.

91. Defendant Petra's false statements are also defamatory *per se* because (i) Defendant Petra's statements impute to Plaintiff Baughman the commission of a serious crime, specifically sexual assault; (ii) the statements prejudice Plaintiff Merrill's and Plaintiff Baughman's professional business and careers; and (iii) the statements are libelous.

92. Plaintiffs are, accordingly, entitled to presumed damages.

COUNT TWO

(Tortious Interference with Prospective Business Advantage against Defendants)

93. Plaintiffs repeat and reallege Paragraphs 1 through 91 of the Complaint as if fully set forth herein.

94. Plaintiffs had a business relationship and contemplated contract with SKDK in July 2020, that involved a massive California state-wide voting program. SKDK, specifically Olick, after working with Merrill previously on a successful U.S. Senate campaign, expressly informed Plaintiffs of SKDK's intention to work with Plaintiffs, based on the Plaintiffs' experience and reputation in California and the fact that SKDK was a D.C. firm.

95. Defendants had knowledge of the business relationship between Plaintiffs and Olick.

96. Defendants intentionally and maliciously interfered with Plaintiffs' contemplated contract and business relationship with SKDK.

97. As a direct result of Defendants' conduct, SKDK informed Plaintiffs that it was no longer going to move forward with the contemplated contract between the parties in connection with the

very large California state-wide voting program, ultimately worth \$35,000,000. Therefore, Plaintiffs were deprived of the economic advantage they would have received by virtue of their business relationship with SKDK-- likely a net profit of at least \$1,000,000 -- but for Defendants' malicious and intentional interference.

COUNT THREE

(Tortious Interference with Contractual Relationship against Defendant Petra)

98. Plaintiffs repeat and reallege Paragraphs 1 through 96 of the Complaint as if fully set forth herein.

99. Plaintiffs have a business relationship and contractual agreement with the Lee Campaign.

100. Defendant Petra had knowledge of this relationship between Plaintiffs and the Lee Campaign, as she explicitly admitted in her respective e-mails to the Lee Campaign and Khanna team.

101. Defendant Petra knowingly, intentionally, and maliciously interfered with Plaintiffs' contractual relationship with the Lee campaign when she on numerous occasions improperly e-mailed false and defamatory statements to the Lee campaign team in a conscious effort to destroy the business and contractual relationship and get Plaintiffs terminated. For instance:

- a. On March 28, 2023, Petra emailed "I am writing to inform you of this and ask that you not allow Ms. Merrill to be part of this historic campaign. Her dishonesty and lack of judgment make her unfit to speak for Congresswoman Lee."
- b. On March 31, 2023, "As I stated in my complaint I only ask that Ms. Merrill not be allowed to work on the campaign. She should not be rewarded and trust with such an important job..."

c. On April 14, 2023, “Ms. Merrill should not work in any capacity on Congresswoman Lee’s historic campaign.”

d. On April 18, 2023, “I would like to know if Katie Merrill and Duane Baughman are being kept on Congresswoman Lee’s campaign for Senate and if they are receiving any donor funds which I object to in the strongest terms.”

102. As a result of Defendants’ tortious interference, Plaintiffs have suffered damages in an amount to be proven at trial but believed to be in excess of \$10,000,000.

COUNT FOUR

(Civil Conspiracy against all Defendants)

103. Plaintiffs repeat and reallege Paragraphs 1 through 101 of the Complaint as if fully set forth herein.

104. Defendants Petra and Josee conspired together to publish and republish the defamatory allegations that Baughman sexually assaulted and threatened physical harm to Petra.

105. Defendant Petra defamed Plaintiff Baughman and tortiously interfered with his business in at least 2005, 2007, 2008, 2017, 2018, and 2020.

106. Defendant Josee defamed Plaintiff Baughman and tortiously interfered with his business in at least 2008 and 2018.

107. Defendants then conspired to republish those same defamatory allegations to other third parties in the ensuing years, including 2020 and 2023.

108. Plaintiffs have been harmed by Defendants’ conspiracy and tortious conduct in an amount to be proven at trial but exceeding \$10,000,000.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request that the Court enter an award and judgment in their favor, and against Defendants, as follows:

- (a) awarding Plaintiffs damages (including compensatory, consequential, special, and punitive) in an amount to be determined at trial;
- (b) awarding Plaintiffs all expenses and costs, including attorneys' fees; and
- (c) such other and further relief as the Court deems appropriate.

JURY DEMAND

Plaintiffs demand a jury trial on all issues triable by a jury.

Dated June 6, 2023

Respectfully submitted,



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